



Town Council Agenda Report

SUBJECT: Resolution

CONTACT PERSON/NUMBER: Chris Wallace, 797-1050

TITLE OF AGENDA ITEM:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE TOWN OF DAVIE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 FOR THE PURPOSE OF PROVIDING FOR RECREATIONAL PROJECTS, PROVIDING FOR IMPROVEMENTS TO EXISTING PARKS, ACQUISITION AND EXPANSION OF RECREATIONAL PARKS AND SPORTS FACILITIES, INCLUDING ATHLETIC FIELDS, PLAYGROUNDS, RECREATIONAL AND COMMUNITY CENTERS AND A MULTI-PURPOSE FACILITY TO ACCOMMODATE ALL AGES INCLUDING CHILDREN, ADULTS AND SENIORS, AUTHORIZED AT AN ELECTION HELD ON NOVEMBER 3, 1998; AWARDED THE SALE OF THE BONDS TO FIRST UNION NATIONAL BANK; CONTAINING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

REPORT IN BRIEF:

In 1998, the Town voters approved a \$12 million General Obligation Bond issue for Parks and Recreation. For favorable tax treatment purposes, the Town issued \$10 million of the authorized amount last year and is issuing the remaining \$2 million this year. The bonds were awarded to First Union National Bank in a competitive process.

PREVIOUS ACTIONS:

The Town Council previously approved a referendum question, which was passed by the voters, and a portion of the bond issue authorized amount. This will complete the transaction.

CONCURRENCES:

not applicable

FISCAL IMPACT:

Has request been budgeted? yes

If yes, expected cost \$69,000

Account Name: Debt Service Principal and Interest

Additional Comments: not applicable

RECOMMENDATION(S):

Motion to approve the resolution.

Attachment(s):

Resolution

Item No.

RESOLUTION NO. R-99-_____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE TOWN OF DAVIE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 FOR THE PURPOSE OF PROVIDING FOR RECREATIONAL PROJECTS, PROVIDING FOR IMPROVEMENTS TO EXISTING PARKS, ACQUISITION AND EXPANSION OF RECREATIONAL PARKS AND SPORTS FACILITIES, INCLUDING ATHLETIC FIELDS, PLAYGROUNDS, RECREATIONAL AND COMMUNITY CENTERS AND A MULTI-PURPOSE FACILITY TO ACCOMMODATE ALL AGES INCLUDING CHILDREN, ADULTS AND SENIORS, AUTHORIZED AT AN ELECTION HELD ON NOVEMBER 3, 1998; AWARDING THE SALE OF THE BONDS TO FIRST UNION NATIONAL BANK; CONTAINING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. R-98-269 duly adopted on August 19, 1998, the Town Council (the "Council") of the Town of Davie, Florida (the "Town") (i) authorized the issuance of general obligation bonds in an aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000) for the purpose of providing funds which, together with other available funds, will enable the Town to provide recreational projects, provide for improvements to existing parks, acquisition and expansion of recreational parks and sports facilities, including athletic fields, playgrounds, recreational and community centers and a multi-purpose facility to accommodate all ages including children, adults and seniors, subject to the authorization of the duly registered and qualified voters of the Town, and (ii) provided for the holding of a bond referendum on November 3, 1998 (the "Referendum") for the purpose of submitting to the qualified voters of the Town the question whether said bonds should be issued; and

WHEREAS, the Referendum was duly conducted and the issuance of said bonds was approved by a majority of the votes cast in the Referendum, and the Town Council caused the results of the same to be recorded in its minutes, all as provided by law; and

WHEREAS, on December 21, 1998, the Town issued a portion of the general obligation bonds in the aggregate principal amount of Ten Million Dollars (\$10,000,000) and the Council now desires to issue the remaining portion of the general obligation bonds in the aggregate principal amount not to exceed Two Million Dollars (\$2,000,000); and

WHEREAS, the Council hereby determines to accept a commitment (the "Commitment") from First Union National Bank (the "Bank") to purchase the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. AUTHORIZATION OF BONDS. Pursuant to the Referendum and the provisions of this Bond Resolution, general obligation bonds of the Town to be designated "Town of Davie, Florida, General Obligation Bonds, Series 1999" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of Two Million Dollars (\$2,000,000) for the purpose of providing funds which, together with other available funds, will enable the Town to provide recreational projects, provide for improvements to existing parks, acquisition and expansion of recreational parks and sports facilities, including athletic fields, playgrounds, recreational and community centers and a multi-purpose facility to accommodate all ages including children, adults and seniors (the "Project") and paying costs of issuance of the Bonds.

SECTION 2. TERMS OF THE BONDS. The Bonds shall be issued in fully registered form without coupons. The principal of and interest on the Bonds shall be payable when due in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owners of the Bonds ("Owners") or their legal representatives at the addresses of the Owners as they appear on the registration books of the Town.

The Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of \$2,000,000. The Bonds shall mature on June 1, 2020.

Subject to adjustment as provided below, the Bonds shall bear interest on the outstanding principal balance from their date of issuance payable quarterly on the first day of each March, June, September and December (the "Interest Payment Dates"), commencing June 1, 2000, at an interest rate equal to seventy-three and nine-tenths of one percent (73.9%) (the "Base Percentage") of the one-month LIBOR as shown on the Telerate System, page 3750, adjusted monthly on the first day of each month (the "LIBOR Rate"). The initial LIBOR Rate shall be based on the LIBOR Rate determined two (2) business days prior to the delivery date of the Bonds and each reset LIBOR Rate shall be based on the LIBOR Rate determined two (2) business days prior to the first day of each month.

Interest on the Bonds shall be computed on the basis of a 360-day year based on the actual number of days elapsed between payments.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bonds shall be increased to a rate per annum equal to the LIBOR Rate plus one-half of one percent ($\frac{1}{2}\%$) (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not disputed by either the Town or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Town to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof.

Adjustment of Interest Rate for Partial Taxability. In the event that interest on the Bonds during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Bonds, then the interest rate on the Bonds shall be increased during such period by an amount equal to: $(A-B) \times C$ where:

- (a) A equals the Taxable Rate (expressed as a percentage);
- (b) B equals the interest rate on the Bonds (expressed as a percentage); and
- (c) C equals the portion of the Bonds the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to $(1-A) \div (1-B)$, where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and (B) equals Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reasons of change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, the Town shall reimburse any such Owner within five (5) days after receipt by the Town of written demand for such payment, and the Town agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change.

Adjustment of Interest Rate Upon an Event of Default. If an “event of default” occurs under Section 18 of this Resolution, the interest rate on the Bonds shall immediately be adjusted to a rate equal to the per annum interest rate announced by First Union National Bank, from time to time, as its “Prime Rate,” plus two percent (2%).

The principal of the Bonds shall be payable in eighty (80) quarterly installments on the first day of each March, June, September and December commencing September 1, 2000. The amount of each such installment shall be as follows:

Installment Number	Principal Installment Due
1-4	\$ 8,750
5-8	10,000
9-12	11,250
13-16	13,750
17-20	16,250
21-24	18,750
25-28	20,000
29-32	21,250
33-36	23,750
37-40	26,250
41-48	28,750
49-60	31,250
61-68	33,750
69-76	36,250
77-80	38,750

The Bonds are subject to prepayment in whole or in part at any time at a price of par plus accrued interest to the date of prepayment, upon written notice to the Owners thereof given by the Town at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied in inverse order of the maturity of principal installments.

SECTION 3. EXECUTION OF BONDS. The Bonds shall be signed in the name of the Town by the Mayor, the Vice Mayor or any member of the Council, and the Town Clerk or the Assistant Town Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor and Town Clerk on the Bonds may be manual or facsimile signatures, provided that the signature of one of such officers shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Town before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed and sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of issuance of such Bonds such person may not have held such office or may not have been so authorized.

SECTION 4. NEGOTIABILITY, REGISTRATION AND CANCELLATION. The Town shall serve as Registrar and as such shall keep books for the registration of Bonds and for the registration of transfers of Bonds. Bonds may be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Town and with guaranty of signatures satisfactory to the Town, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. Bonds may be exchanged for one or more Bonds of the same aggregate principal amount and maturity and in denominations in integral multiples of \$250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Town.

The Town may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Town as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as they become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In all cases in which Bonds are transferred or exchanged in accordance with this Section, the Town shall execute and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Town. There shall be no charge for any such exchange or transfer of Bonds, but the Town may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

All Bonds, the principal and interest of which has been paid, either at or prior to maturity, shall be delivered to the Town when such payment is made, and shall thereupon be canceled.

In case part but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond, but the Town shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

SECTION 5. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in the case of a mutilated Bond, in exchange and substitution for such mutilated Bond upon surrender of such mutilated Bond or in the case of a destroyed, stolen or lost Bond in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing the Town proof of his ownership thereof, satisfactory proof of loss or destruction thereof and satisfactory indemnity, complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. The Town shall cancel all mutilated Bonds that are surrendered. If any mutilated, destroyed, lost or stolen Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Town may pay the principal of and interest on such Bond upon the Owner complying with the requirements of this paragraph.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations of the Town whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the extent as all other Bonds issued hereunder.

SECTION 6. FORM OF BONDS. The text of the Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

UNITED STATES OF AMERICA

STATE OF FLORIDA

TOWN OF DAVIE

GENERAL OBLIGATION BOND
SERIES 1999

Registered Owner:

Principal Amount:

Dollars

KNOW ALL MEN BY THESE PRESENTS, that the Town of Davie, Florida (the "Town"), for value received, hereby promises to pay in installments to the Registered Owner shown above, or registered assigns, on the dates set forth below, the Principal Amount specified above. Subject to the rights of prior prepayment and amortization described in this Bond, this Bond shall mature on June 1, 2020.

This Bond is issued under authority of and is full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Town and Resolution No. R-99-_____ duly adopted by the Town Council of the Town on December 15, 1999 (the "Bond Resolution"), and is subject to the terms of the Bond Resolution. This Bond is issued for the purpose of providing funds which, together with other available funds, will enable the Town to provide recreational projects, provide for improvements to existing parks, acquisition and expansion of recreational parks and sports facilities, including athletic fields, playgrounds, recreational and community centers and a multi-purpose facility to accommodate all ages including children, adults and seniors and paying costs of issuance of the Bonds.

Subject to adjustment as provided below, this Bond shall bear interest on the outstanding principal balance from its date of issuance payable quarterly on the first day of each March, June, September and December (the "Interest Payment Dates"), commencing June 1, 2000, at an interest rate equal to seventy-three and nine-tenths of one percent (73.9%) (the "Base Percentage") of the one-month LIBOR as shown on the Telerate System, page 3750, adjusted monthly on the first day of each month (the "LIBOR Rate"). The initial LIBOR Rate shall be based on the LIBOR Rate determined two (2) business days prior to the delivery date of the Bonds and each reset LIBOR Rate shall be based on the LIBOR Rate determined two (2) business days prior to the first day of each month.

Interest on this Bond shall be computed on the basis of a 360-day year based on the actual number of days elapsed between payments.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bonds shall be increased to a rate per annum equal to the LIBOR Rate plus one-half of one percent ($\frac{1}{2}\%$) (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not disputed by either the Town or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for

appeal, or (iii) the admission in writing by the Town to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof.

Adjustment of Interest Rate for Partial Taxability. In the event that interest on the Bonds during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Bonds, then the interest rate on the Bonds shall be increased during such period by an amount equal to: $(A-B) \times C$ where:

- (a) A equals the Taxable Rate (expressed as a percentage);
- (b) B equals the interest rate on the Bonds (expressed as a percentage); and
- (c) C equals the portion of the Bonds the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to $(1-A)$ divided by $(1-B)$, where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and (B) equals Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reasons of change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, the Town shall reimburse any such Owner within five (5) days after receipt by the Town of written demand for such payment, and the Town agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change].

Adjustment of Interest Rate Upon an Event of Default. If an "event of default" occurs under Section 18 of the Bond Resolution, the interest rate on the Bonds shall immediately be adjusted to a rate equal to the per annum interest rate announced by First Union National Bank, from time to time, as its "Prime Rate," plus two percent (2%).

The principal of this Bond shall be payable in eighty (80) quarterly installments on the first day of each March June, September and December, commencing September 1, 2000. The amount of each such installment shall be as follows:

Installment Number	Principal Installment Due
1-4	\$ 8,750
5-8	10,000
9-12	11,250
13-16	13,750
17-20	16,250
21-24	18,750
25-28	20,000
29-32	21,250
33-36	23,750
37-40	26,250
41-48	28,750
49-60	31,250
61-68	33,750
69-76	36,250
77-80	38,750

The principal of and interest on this Bond are payable in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owner or his legal representative at the address of the Owner as it appears on the registration books of the Town.

For the prompt payment of the principal of and interest on this Bond, the full faith, credit and taxing power of the Town are irrevocably pledged. The Bond Resolution requires that in each year while this Bond is outstanding there shall be levied and collected a tax, without limitation as to rate or amount, on all taxable property within the Town sufficient in amount to pay annually the principal of and interest on this Bond as they become due.

This Bond is subject to prepayment in whole or in part at any time at a price of par plus accrued interest to the date of prepayment, upon written notice to the registered Owner hereof given by the Town at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied in inverse order of the maturity of principal installments.

The original registered Owner, and each successive registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The Town shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. Bonds may be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Town and with guaranty of signatures satisfactory to the Town, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. The Bonds may be exchanged for Bonds of the same principal amount and maturity and denominations in integral multiples of \$250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Town.

2. The Town may deem and treat the person in whose name any Bond shall be registered upon the books of the Town as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as they become due, and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Town shall execute and deliver bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the Town may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

4. All Bonds, the principal of which has been paid, either at or prior to maturity, shall be delivered to the Town when such payment is made, and shall thereupon be canceled. In case part, but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist and to be performed precedent to and for the issuance of this Bond have happened, do exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto; that the Bonds have been approved at an election in the Town in accordance with the Constitution and the laws of the State of Florida on November 3, 1998; that the total indebtedness of the Town, including the issue of Bonds of which this Bond is one, does not exceed any constitutional or statutory limitation and that provision has been made for the levy and collection of a direct annual tax without limitation as to rate or amount upon all taxable property within the Town, sufficient to pay annually the principal of and interest on the Bonds as the same shall become due, which tax shall be levied and collected at the same time and in the same manner as other ad valorem taxes are levied, assessed and collected.

IN WITNESS WHEREOF, the Town of Davie, Florida has caused this Bond to be executed by the manual or facsimile signature of its Mayor and of its Town Clerk, and the Seal of the Town of Davie, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the ____ day of December, 1999.

PASSED AND ADOPTED THIS _____ DAY OF _____, 1999.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 1999.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the "Transferor"), hereby sells, assigns and transfers unto _____ (Please insert name and Social Security or Federal Employer identification number of assignee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date

Signature Guaranteed:

Social Security Number of Assignee

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT -	, (Cust.)
		Custodian for	, (Minor)
TEN ENT -	as tenants by the entirety	under Uniform Gifts to Minors Act of	(State)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common		

Additional abbreviations may also be used though not in the list above.

SECTION 7. PLEDGE OF FULL FAITH, CREDIT AND TAXING POWER. For the prompt payment of the principal of and interest on the Bonds, the full faith, credit and taxing power of the Town are irrevocably pledged.

SECTION 8. LEVY OF AD VALOREM TAXES. Pursuant to this Bond Resolution there shall be levied and collected upon all taxable property within the Town in each year, while any of the Bonds are outstanding, a tax sufficient (i) to pay the principal of and interest on the Bonds, as they become due and payable, and (ii) to make any payments due under any interest rate swap agreement ("Swap Agreement") that the Town may enter into for the purpose of effectively fixing the interest rate on the Bonds for any period of time. For purposes of levying taxes under this Resolution, any such Swap Agreement payments shall be considered to be the equivalent of debt service payments on the Bonds. Such tax shall be levied and collected at the same time and in the same manner as other Town taxes are assessed, levied and collected and the proceeds of said tax shall be held separate and apart from all other moneys of the Town in a separate fund which is hereby created entitled "Town of Davie General Obligation Bonds, Series 1999 Bond Fund" (the "Bond Fund"), and shall be applied solely to the payment of principal and interest on the Bonds and to the payment of any amounts due under any Swap Agreement.

SECTION 9. SWAP AGREEMENTS. The Town is authorized to enter into a Swap Agreement with the Bondholders or with another party with the consent of the Bondholders for the purpose of effectively lowering or fixing the interest rate on the Bonds for any period of time. For purposes of depositing sufficient moneys into the Bond Fund to pay principal and interest on the Bonds pursuant to Section 8 hereof, (i) any payments due under the Swap Agreement shall be considered to be the equivalent of debt service payments on the Bonds, and sufficient amounts of ad valorem taxes shall be deposited into the Bond Fund to make such payments, and (ii) any payments received or to be received by the Town under the Swap Agreement may be taken into account and, upon receipt, shall be deposited into the Bond Fund.

SECTION 10. INVESTMENT OF BOND FUND. Subject to Section 13 hereof, funds in the Bond Fund may be invested in the following investments, maturing at or before the time such funds may be needed to pay principal of or interest on Bonds, to the extent such investments are legal for investment of municipal funds ("Authorized Investments"):

- (a) The Local Government Surplus Funds Trust Fund;
- (b) Negotiable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;
- (c) Interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida (the "State"), in national banks organized under the laws of the United States and doing business and situated in the State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;
- (d) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;
- (e) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;
- (f) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; or
- (g) Any other investments that at the time are legal investments for municipal funds.

SECTION 11. APPLICATION OF BOND PROCEEDS. The proceeds received upon the sale of the Bonds shall be applied simultaneously with the delivery of the Bonds, as follows:

- 1. The Town shall first use the moneys to pay costs of the issuance of the Bonds.
- 2. The remainder of the proceeds of the sale of the Bonds shall be deposited in the "Town of Davie General Obligation Bonds, Series 1999 Project Fund" (the "Project Fund"), hereby created, and used only in connection with the Project or to pay capitalized interest on the Bonds.

Pending their use, the proceeds in the Project Fund may be invested in Authorized Investments, maturing not later than the date or dates on which such proceeds will be needed for the purposes of this Bond Resolution. Subject to Section 13 hereof, any income received upon such investment shall be deposited in the Project Fund and applied to costs of the Project or, at the option of the Town, deposited in the Bond Fund and used to pay interest

on the Bonds until completion of the Project. Subject to Section 13 hereof, after the completion of the Project, any remaining balance of proceeds of the Bonds shall be deposited into the Bond Fund and used solely to pay principal of the Bonds.

Such funds shall be kept separate and apart from all other funds of the Town and the moneys on deposit therein shall be withdrawn, used and applied by the Town solely for the purposes set forth herein. Pending such application, the Project Fund shall be subject to the lien of the Owners of the Bonds for the payment of the principal of and interest on the Bonds.

The registered Owners shall have no responsibility for the use of the proceeds of the Bonds, and the use of such Bond proceeds by the Town shall in no way affect the rights of such registered Owners. The Town shall be irrevocably obligated to continue to levy and collect the ad valorem taxes, as provided herein, and to pay the principal of and interest on the Bonds notwithstanding any failure of the Town to use and apply such Bond proceeds in the manner provided herein.

SECTION 12. FUNDS. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of Town funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided in Section 11 hereof, earnings on any investments in any amounts on any of the funds and accounts herein established and created shall be credited to such respective fund or account.

The designation and establishment of the funds and accounts in and by this Bond Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain tax revenues and assets of the Town for the purposes herein provided and to establish certain priorities for application of such tax revenues and assets.

SECTION 13. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE OF 1986. The Town covenants to the Owners of the Bonds that it will take all actions and do all things necessary and desirable in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, and shall refrain from taking any actions that would cause interest on the Bonds to be included in gross income for federal income tax purposes. In particular, the Town will not make or direct the making of any investment or other use of the proceeds of the Bonds which would cause such Bonds to be "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code or "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code, and all applicable regulations promulgated under the Code, and that it will comply with the applicable requirements of Sections 141 and 148 of the Code and the aforementioned regulations throughout the term of the Bonds.

SECTION 14. DESIGNATION UNDER SECTION 265(b)(3) OF THE CODE. The Town hereby designates the Bonds as qualified tax-exempt obligations under Section 265(b)(3) of the Code, and shall make all necessary filings in order to effectuate such election. The Town represents that neither the Town nor any subordinate entities or entities issuing tax-exempt obligations on behalf of the Town within the meaning of Section 265(b)(3) of the Code have issued tax-exempt obligations during calendar year 1999 and neither the Town nor any such entities expect to issue tax-exempt obligations during calendar year 1999, other than the Bonds and an issue of \$4,325,000 Public Improvement Revenue Bonds, Series 1999, issued on the date hereof.

SECTION 15. ARBITRAGE REBATE COVENANTS. There is hereby created and established a fund to be held by the Town, designated the "Town of Davie General Obligation Bonds, Series 1999 Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the Town separate and apart from all other funds and accounts held by the Town under this Resolution and from all other moneys of the Town.

Notwithstanding anything in this Resolution to the contrary, the Town shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Tax Certificate or the Rebate Covenants, if any, attached as an Exhibit to the Tax Certificate to be delivered by the Town on the date of delivery of the Bonds (the "Rebate Covenants"), when such amounts are so required to be transferred. The Town Manager shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited

therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Town covenants for the benefit of the Owners of the Bonds that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Town shall not be required to comply with the requirements of this Section 15 in the event that the Town obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds.

SECTION 16. SPECIAL COVENANTS OF THE TOWN. The Town shall, upon receipt by the Town or within one hundred eighty (180) days of each fiscal year end, whichever is sooner, provide the Owners of the Bonds with a copy of its Comprehensive Annual Financial Report, its current year operating budget and its capital improvement plan. The Town shall also provide to the Owners of the Bonds any other financial information reasonably requested by such Owners.

SECTION 17. COVENANTS BINDING ON TOWN AND SUCCESSOR. All covenants, stipulations, obligations and agreements of the Town contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon the officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Town or upon the Town Council by the provisions of this Resolution shall be exercised or performed by the Town Council or by such officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Town Council or officer, agent or employee of the Town in his or her individual capacity, and neither the members of the Town Council nor any officer, agent or employee of the Town executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 18. EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

(a) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) the Town shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the Town to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by any Owner of any bond; provided that it shall not constitute an event of default if the default is not one that can be cured within such sixty (60) days, as agreed by the Bondholders and the Town, and the Town commences within such sixty (60) days and is proceeding diligently with action to correct such default; or

(d) any proceeding shall be instituted with the consent of the Town for the purpose of effecting a composition between the Town and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and such proceedings shall not have

been dismissed within thirty (30) days after the institution of the same.

SECTION 19. REMEDIES; RIGHTS OF BONDHOLDERS. Upon the occurrence and continuance of any event of default specified in Section 18 hereof, the Owners of the Bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the Bonds then outstanding.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

The Town agrees, to the extent permitted by law, to indemnify the Bank and its directors, officers, employees and agents from any against any losses, claims, damages, liabilities and expenses (including, without limitation, counsel fees and expenses) which may be incurred in connection with enforcement of the provisions of this Resolution and the Bonds.

SECTION 20. DEFEASANCE. Upon the payment in full of all principal and interest due on the Bonds, the Bonds shall be deemed to be paid and shall no longer be deemed to be outstanding for the purposes of this Resolution and all covenants and pledges hereunder, including the pledge of the full faith, credit and taxing power of the Town, and all liability of the Town with respect to said Bonds, shall cease, terminate and be completely discharged and extinguished; provided, however, that the requirements of Section 15 hereof to rebate any amounts due to the United States pursuant to the Rebate Covenants shall survive the payment of principal and interest with respect to the Bonds or any portion thereof.

SECTION 21. SALE OF BONDS. Based upon the uncertainty of the interest rate environment if sale of the Bonds is delayed, the Town hereby determines and finds the necessity for a negotiated sale of the Bonds. The Town has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Bonds is hereby approved to the Bank at a purchase price of par.

SECTION 22. AUTHORITY OF OFFICERS. The Mayor, the Vice Mayor, any member of the Council, the Town Manager, the Town Clerk, the Assistant Town Clerk, the Director of the Department of Budget and Finance and any other proper official of the Town, are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by this Resolution and the other documents identified herein.

SECTION 23. SEVERABILITY. In case any one or more of the provisions of this Resolution or of any Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

SECTION 24. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds shall be a Saturday, Sunday or a day on which the banks in the State are required, or authorized or not prohibited, by law (including executive orders) to close and are closed, then payment of such interest or principal need not be made by the Town on such date but may be made on the next succeeding business day on which the banks in the State are open for business, but such interest shall continue to accrue until payment is received by the Owners of the Bonds.

SECTION 25. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts of the Town Council concerning and relating to the adoption of this Resolution and all prior resolutions affecting the Town Council's ability to issue the Bonds were taken in an open meeting of the Town Council and that all deliberations of the Town Council or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

SECTION 26. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 27. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 1999.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 1999.